wisconsin Medicaid update
and BadgerCare

May 2006 ● No. 2006-42

Wisconsin Medicaid and BadgerCare Information for Providers

To:

Outpatient Hospital Therapy Providers

HMOs and Other Managed Care Programs

Claims Submission for Durable Medical Equipment Dispensed by an Outpatient Hospital Provider

The changes to reimbursement rates and program requirements for outpatient hospital physical therapy (PT), occupational therapy (OT), and speech and language pathology (SLP) services (as indicated in the December 2005 *Wisconsin Medicaid and BadgerCare Update* [2005-74], titled "Changes to Reimbursement and Program Requirements for Outpatient Hospital Therapy Services") do not affect claims submission requirements for durable medical equipment (DME) dispensed by an outpatient hospital provider, which includes DME dispensed during an emergency room visit.

Outpatient hospital providers who are Medicaid-certified DME providers may continue to submit claims for DME using the 837 Health Care Claim: Professional transaction or the CMS 1500 paper claim form and the appropriate Healthcare Common Procedure Coding System procedure code. Outpatient hospital providers who are not Medicaid-certified DME providers should continue to submit claims for DME using the 837 Health Care Claim: Institutional transaction or the UB-92 paper claim form and the appropriate revenue code.

Medicaid reimbursement for all orthotics includes evaluation time, fitting time, fabrication time, materials, and follow-up time.

If a PT, OT, or SLP service is provided when a non-orthotic therapy DME is dispensed, a separate claim may be submitted for the PT, OT, or SLP service. Providers should follow the claims submission instructions indicated in *Update* 2005-74.

Providers should refer to the Physical Therapy DME, Occupational Therapy DME, and Speech Therapy DME fee schedules on the Medicaid Web site at *dhfs.wisconsin.gov/medicaid/* to determine which DME may be provided by PT, OT, and SLP providers. Providers should refer to DME publications for more information about dispensing DME.

Outpatient Hospital Services

To be certified and reimbursed as an outpatient hospital by Wisconsin Medicaid, a facility must be licensed as a hospital by the Division of Disability and Elder Services, Bureau of Quality Assurance (BQA) under ch. 50, Wis. Stats. Therefore, a service may be reimbursed at Medicaid outpatient hospital rates *only* if it is provided in a building that is licensed by the BQA as a hospital. For licensure purposes, the

hospital includes all inpatient rooms, surgical suites, and other facilities where services are performed for inpatients.

Wisconsin Medicaid's reimbursement methodologies differ from the methodologies of the federal Medicare program. Medicare designates a provider-based status to certain remote or satellite facilities that are not located in a BQA-licensed hospital. Facilities with a provider-based status (according to 42 CFR s. 413.65) receive Medicare's hospital reimbursement rates. Wisconsin Medicaid does not recognize Medicare's provider-based designation for these facilities, and therefore, services provided at these facilities are not reimbursed at Medicaid outpatient hospital rates.

Because Wisconsin Medicaid does not recognize Medicare's provider-based designation, claims for services provided at these facilities may *not* be submitted using a hospital's Medicaid provider number. Claims for services provided at a facility outside a Medicaid-certified and BQA-licensed hospital must be submitted using the Medicaid provider number of that outside facility. For example, when a claim is submitted by a freestanding facility that is outside, but affiliated with, a Medicaid-certified hospital or located on the same property as a Medicaid-certified hospital, the billing provider number of the freestanding facility must be indicated on the claim.

Providers are reminded that they are required to maintain Medicaid certification separately from the hospital, which includes maintaining a separate provider number, to be reimbursed for services provided in facilities outside hospital locations.

Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at *dhfs.wisconsin.gov/medicaid/*.

PHC 1250